



STATE OF SOUTH CAROLINA
DEPARTMENT OF CONSUMER AFFAIRS

PROFESSIONAL EMPLOYER ORGANIZATIONS

Mailing Address
P.O. Box 5757
Columbia, SC 29250-5757

S.C. Code Ann. § 40-68-10 et seq.
www.sccconsumer.gov
(803) 734-4200

Street Address
3600 Forest Drive
Columbia, SC 29204-4006

2005-2007 RENEWAL APPLICATION
FOR
PROFESSIONAL EMPLOYER ORGANIZATION LICENSE

(Complete all parts of this Renewal Application)

Please submit an original and one (1) copy of the Application in ring binders.
All information should be reduced to 8½ x 11 size and arranged in the order set forth in the Application form.

The Renewal License fee for both resident and non-resident Professional Employer Organizations (PEO) is: One Thousand Five Hundred Dollars (\$1,500.00) for each PEO and Three Thousand Dollars (\$3,000.00) for each PEO Group. If the state of residency of a nonresident PEO imposes a greater fee for licensing nonresident applicants, the greater fee will be assessed. The maximum fee that may be charged is Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) for a nonresident PEO and Seven Thousand Five Hundred Dollars (\$7,500.00) for a nonresident PEO Group. Please make all checks payable to the **South Carolina Department of Consumer Affairs**.

Pursuant to the provisions of South Carolina Code § 40-68-10 et seq. (2001) as amended, the undersigned hereby makes the following statements for the purpose of obtaining a Renewal License for the Licensing Period of 2005-2007 to conduct business as a Professional Employer Organization (PEO) in the State of South Carolina.

Please indicate the type of license renewal: (A) ☐ PEO License
(B) ☐ PEO Group License

Name of PEO
or PEO Group: _____

SC License #: _____

Federal ID #: _____ State ID #(withholding): _____

Business Address: _____

City: _____ State: _____ Zip: _____

Telephone No.: _____ Fax No.: _____

Web site: _____

Name of Primary
Contact Person: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Telephone No.: _____ Fax No.: _____

E-Mail Address: _____

Name of Secondary
Contact Person: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Telephone No.: _____ Fax No.: _____

E-Mail Address: _____

Name of Current
South Carolina
Agent for Service
of Process: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Telephone No.: _____ Fax No.: _____

E-Mail Address: _____

CONTROLLING PERSONS, OFFICERS AND DIRECTORS

IMPORTANT: Fill out each section completely, even if the same individual/entity is listed in more than one part of this section. All persons who qualify as a controlling person pursuant to South Carolina Code § 40-68-10 (4), as amended, must be listed below.

ANY NEW CONTROLLING PERSON(S) NOT PREVIOUSLY LICENSED IN SOUTH CAROLINA MUST EACH SUBMIT A CONTROLLING PERSON APPLICATION (FORM PEO-03) ALONG WITH A \$100 APPLICATION FEE.

Corporations: If the applicant is owned by another corporate entity, please list any officers of the parent firm and the ultimate owners (natural persons) in the tables below that qualify as controlling persons, as defined in South Carolina Code § 40-68-10 (4), and attach an organizational chart.

Controlling Persons Based on Ownership:

Please list the names of all persons or entities who directly or indirectly own, control, hold with the power to vote, or hold proxies representing ten percent (10%) or more of the voting securities of the Applicant. If necessary, attach additional sheet(s) providing the same information requested below.

Full Name And Address	Date of Birth (mm-dd-yyyy)	% Ownership	SSN #/FEIN *

***** **Compliance Note:** The Family Independence Act of 1995 required the South Carolina Department of Social Services – Child Enforcement Division (Division) to operate a license revocation program for the purpose of enforcing and establishing child support. In accordance with this Act, South Carolina law (§ 20-7-944) requires that all licensing entities submit to the Division licensee data for all new and renewal licenses issued. Therefore, identifying information (i.e., name, social security number and date of birth, etc.) for all controlling persons licensed with this renewal application will be forwarded to the Division upon the issuance of each controlling person's license. Personal information will not be used for any other purpose and is not subject to disclosure under the South Carolina Freedom of Information Act. South Carolina Code § 30-4-10 et seq

Officers, Directors and Controlling Persons Based on Position:

Please list the names and titles/positions of all officers, directors and any person who is a controlling person based on their position with the Applicant. If necessary, attach additional sheet(s) providing the same information requested below.

Full Name And Address	Title/Position	Date of Birth (mm-dd-yyyy)	SSN #

Please list below any **NEW** controlling persons to be licensed with this renewal. If necessary, attach additional sheet(s) providing the same information requested below. Any NEW controlling person(s) not previously licensed in South Carolina must each submit a ***Controlling Person Application (Form PEO-03)*** along with a \$100 Application Fee.

NEW Controlling Persons Based on Ownership:

Full Name	Date of Birth (mm-dd-yyyy)	% Ownership	SSN #/FEIN

NEW Officers, Directors and Controlling Persons Based on Position:

Full Name	Title/Position	Date of Birth (mm-dd-yyyy)	SSN #

APPLICANT BUSINESS HISTORY

If any question is answered "Yes", please attach separate page(s) detailing the circumstances (including any applicable details such as state, license number, dates, etc.)

1. Since the approval of your last license, have any of the Applicant's existing or proposed controlling persons been convicted or found guilty of any misdemeanors or felonies (with the exception of minor traffic violations) in any jurisdiction or territory in the United States?

☐ Yes ☐ No

2. Since the approval of your last license, has either the Applicant or any of its existing or proposed controlling persons been refused a license, registration, or certification as a PEO, PEO group, or controlling person, or renewal thereof, in any jurisdiction or territory in the United States?

☐ Yes ☐ No

3. Since the approval of your last license, has either the Applicant or any of its existing or proposed controlling persons had a license revoked, suspended, or otherwise acted against (including probation, fine, or reprimand) in a disciplinary action in any jurisdiction or territory in the United States?

☐ Yes ☐ No

4. Since the approval of your last license, has either the Applicant or any of its existing or proposed controlling persons been involved in or owned an interest in a PEO or PEO group that has been adjudicated bankrupt, filed proceedings under the Bankruptcy Act, or has otherwise closed due to insolvency?

☐ Yes ☐ No

5. Since the approval of your last license, are any of the licenses, registrations, or certifications of the Applicant or any of its existing or proposed controlling persons currently under investigation or currently pending disciplinary action in any jurisdiction or territory in the United States?

☐ Yes ☐ No

6. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons ever failed to satisfy any tax liabilities?

☐ Yes ☐ No

7. Has the Applicant or any of its existing or proposed controlling persons ever had a lien or levy placed against it/them?

☐ Yes ☐ No

8. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons been the subject of an indictment or a "cease and desist" order in any jurisdiction or territory in the United States?

☐ Yes ☐ No

9. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons been the subject of any state or federal government investigation or audit regarding the payment of wages or taxes; the funding or administration of any employee benefit plan or workers' compensation program; employment practices; licensing or registration; or any other matter arising out of a complaint filed by an employee, client, insurer, regulator or another PEO?

☐ Yes ☐ No

10. Since the approval of your last license, has the Applicant or any of its existing or proposed controlling persons ever been the subject of a governmental investigation?

☐ Yes ☐ No

11. Is the Applicant or any of its existing or proposed controlling persons currently disputing any material obligations to an insurance carrier, benefit administrator or trust, or taxing authority?

☐ Yes ☐ No

12. Is there any litigation or legal proceeding currently pending or threatened against the Applicant or any of its existing or proposed controlling persons in any jurisdiction or territory in the United States?

☐ Yes ☐ No

13. Is the Applicant delinquent, as of the date of application, with respect to any of its obligations of payroll, payroll related taxes, workers' compensation insurance or employee benefits in any jurisdiction or territory in the United States?

☐ Yes ☐ No

SOUTH CAROLINA OPERATIONS

Provide a list of all offices, including branch offices, located in South Carolina:

☐

Check if the Applicant has no South Carolina offices.

Address	Contact Person	Telephone #	E-mail address

SOUTH CAROLINA CLIENT COMPANIES

Provide a list of all client companies in South Carolina. For client companies having multiple locations with the same FEIN, please list only the headquarters location. This information should be provided using either the ***Client Company List (Form PEO-07)*** or in a report that you generate provided, however, that all of the information requested in the table below is included in the separate report.

Client Company			FEIN		
Contact Person					
Mailing Address					
City			State		Zip: <input type="text"/>
Telephone Number			Fax Number		
Number of Assigned Employees	<input type="text"/>	Date Relationship Initiated	<input type="text"/>	Workers' Compensation Business Classification Code	<input type="text"/>
Workers' Compensation Carrier/Policy #	<input type="text"/>		Health Insurance Carrier/Policy #	<input type="text"/>	

OTHER INFORMATION

1. Employment Tax Compliance Letters

South Carolina law requires PEO licensees to assume responsibility for the payment of payroll taxes and for collection of taxes from payroll on assigned employees. In order to confirm that this obligation has been satisfied, the Department requires applicants for PEO licenses to obtain letters of good standing or employment tax compliance letters prior to issuing a license to provide PEO services in the State of South Carolina. Applicants should request the "letter of good standing" from the Internal Revenue Service and the South Carolina Department of Revenue. **The letters should be requested from the following addresses for payroll periods ending no earlier than June 30, 2005.**

Internal Revenue Service
Field Assistance – MDP32
1835 Assembly Street
Columbia, SC 29201

S.C. Department of Revenue
Tax Compliance Officer
Columbia, SC 29214-0027

In your letter to the IRS, indicate that you are requesting compliance status on employment tax return Forms 941 and 940 and provide your federal ID number. Your letter of request to the SCDOR must indicate the PEO's South Carolina withholding account number.

The taxing authorities will mail the compliance letters back to you. **Applicants should forward the ORIGINAL letter from those agencies to the Department for inclusion with their application for licensure.**

2. Insurance Benefits

Are the following insurance benefits provided to any leased employees in the State of South Carolina?

Workers' Compensation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Health/Medical/Dental	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Life	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Disability	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If the answer to any of the above is yes, Applicant must provide:

- (a) a new **Health Insurance Affidavit of Insurance (Form PEO-08)** completed by each of the Applicant's current Insurance Carrier(s);
- (b) a new **Workers' Compensation Affidavit of Insurance (Form PEO-09)** completed by each of the Applicant's current Insurance Carrier(s);
- (c) a new **Insurance Certification (Form PEO-10)**, which must be signed by a controlling person.
- (d) a completed **Insurance Schedule (Form PEO-11)** showing all current policy information;
- (e) a copy of each benefit plan or policy, including the declaration page;
- (f) a copy of all insurance benefits information that is provided to leased employees for all benefit plans;

Are the premiums on all policies you listed on the **Insurance Schedule (Form PEO-11)** due as of the date of this Application paid in full?

☐ Yes ☐ No

If the answer to the previous question is NO, are the unpaid amounts in dispute with your insurance carrier?

☐ Yes ☐ No

If any amounts are in dispute, please list the name of the carrier(s), the policy number(s), the period(s) covered, and the amount(s) in dispute.

South Carolina Code § 40-68-70 (B) requires PEOs that provide workers' compensation insurance to client companies, before executing a service contract and on an annual basis, to conduct a good faith investigation to determine if the client company engages any nonassigned employees, including those considered employees under Title 42, in any part of the client company's trade, business, or occupation. The law also requires that upon a determination that a client company does include nonassigned employees, the service contract must require the client company to secure and maintain workers' compensation insurance. Have you conducted such an investigation with regard to each of your client companies within the past year?

☐ Yes ☐ No

South Carolina Code § 40-68-70 (D) requires a PEO to report the information derived from these investigations to its workers' compensation carrier. Have you made such reports in the past year?

☐ Yes ☐ No

NOTICE

MULTIPLE COORDINATED POLICIES. The South Carolina Department of Insurance has adopted a ruling by the NCCI that requires Professional Employer Organizations (PEOs) in the assigned risk market in South Carolina to operate under Multiple Coordinated Policies (MCP) for workers' compensation insurance coverage. These policies require a PEO to apply for a policy in its own name for direct employees. The rule then requires the PEO to apply for coverage for each of its clients to cover employees leased to those clients. Policies are applied for in the client company name as the insured. The policies are then "coordinated" and the leasing company is billed for premiums with copies sent to client companies. If you are currently operating under a non-multiple coordinated policy, please contact your insurance carrier regarding this ruling. A copy of this ruling is available on our web site at www.sccconsumer.gov.

4. Financial Statements

Applicants must attach a copy of the company's most recent Audited or Reviewed Financial Statement. The statement must be for annual periods ending no earlier than December 31, 2004, and shall be attested to by an independent Certified Public Accountant. If the financial statements submitted are dated more than 180 days before the date of this Application, the Applicant must certify to the Department that there have been no material adverse changes in the financial position of the company since the date of the last financial statements, and shall provide a copy of the next financial statement as soon as it becomes available. **For renewal purposes only**, companies with less than \$7,500,000.00 in gross South Carolina payroll may submit Reviewed Financial Statements. Please indicate the type of financial statements being submitted below. Information supplied regarding net worth is proprietary and confidential and is exempt from disclosure to third parties.

NOTE: A positive net worth must be demonstrated for all PEOs operating on or before January 1, 1991. All other Applicants must demonstrate a net worth of at least \$50,000.00. Pursuant to South Carolina Code § 40-68-40 (E), deficiencies in the net worth requirement as demonstrated by the Audited or Reviewed Financial Statements may be satisfied through guarantees, letters of credit, or other security acceptable to the Department in a combined total amount of at least \$50,000.00. A guaranty is not acceptable unless the Applicant submits sufficient evidence to satisfy the Department that the guarantor has adequate resources to satisfy the obligations of the guaranty.

Please indicate which type of financial statement is being provided:

☐

Audited Financial Statement

☐

Reviewed Financial Statement

Date of Financial Statement: _____

5. Service Agreement

Please submit a copy of your master service agreement, plus copies of all agreements with client companies which differ from that master agreement in any substantive respect, highlighting the differences, e.g. if any of the PEO's client companies elect to obtain and be responsible for their own workers' compensation or health insurance, the service agreement with that client must clearly demonstrate that intent.

CONTINUING EDUCATION

Pursuant to S.C. Code Ann. Section 40-68-45, effective for license years beginning after September 30, 2005, key management personnel of all licensees must complete at least eight (8) hours of continuing professional education annually. If the licensee (PEO) is a sole proprietorship or partnership, key personnel means any controlling person. If the licensee is a corporation, key personnel means any person who both directs or causes the direction of the management of a company operating in South Carolina and is directly responsible for the day-to-day management of the company's operations in South Carolina.

Using this criteria, please list below the information regarding key management personnel in your company that will be required to meet the continuing professional education requirement. Use additional copies of this page if necessary.

Employee Name		Employee Name	
Business Address		Business Address	
Position/Title		Position/Title	
Telephone		Telephone	
E-Mail		E-Mail	

Employee Name		Employee Name	
Business Address		Business Address	
Position/Title		Position/Title	
Telephone		Telephone	
E-Mail		E-Mail	

Employee Name		Employee Name	
Business Address		Business Address	
Position/Title		Position/Title	
Telephone		Telephone	
E-Mail		E-Mail	

AFFIDAVIT OF APPLICANT

I swear or affirm and certify that I have completed and/or reviewed all information on this form and submitted with this Application, and to the best of my knowledge and belief, all information contained herein is true, correct and complete; and that there are no material omissions of fact which would have a bearing upon the South Carolina Department of Consumer Affairs' decision to grant the requested license. I further certify that I understand that giving false information constitutes cause for denial or revocation of the application and subjects me to criminal prosecution for perjury. I acknowledge that I have a duty and agree to update and correct this information as it changes.

Signature

Date

Type or Print your name and Title

SWORN TO AND SUBSCRIBED before me

this _____ day of _____, 20_____

(SEAL)

Notary Public For _____

My Commission Expires:

The completed Application should be submitted to:

South Carolina Department of Consumer Affairs
Attn: PEO Licensing and Regulation
P.O. Box 5757
Columbia, SC 29250-5757

Do not fax this form. An original, signed and notarized form is required.

The South Carolina Freedom of Information Act may require the Department of Consumer Affairs to release this form as a public record; however personal identifying information will be released only if required by law.